

Exhibit 1

Bednar, Thomas

From: Bednar, Thomas
Sent: Saturday, May 05, 2018 8:45 PM
To: 'Alex Spiro'
Cc: 'Kayla Feld'; Lombardi, Kevin; 'Michael Liftik'
Subject: RE: SEC v. Carter, 18:mc:182 (PGG)

Alex, It is correct that all we want is the testimony -- in a timely manner, with no artificial restrictions on time, and we made many attempts to get that before we involved the Court. I also thought we had reached agreement just a few hours ago, only to see this issue of a time limit crop back up. Taking a step back, as you suggest, we have already agreed to two accommodations for Mr. Carter, making changes to a Court Order that is in place and favorable to us: we agreed to defer the testimony due to your schedule, one of many times in the last few weeks we have accommodated your schedule, while our statute of limitations continues to run. We also agreed to make the investigative team travel to New York for this testimony at your request -- again, when they have an Order in place for D.C. testimony, which you would have to show good cause to get the Court to amend. We have done that in the interest of getting the testimony and moving on.

The order that is in place calls on Mr. Carter to appear on Tuesday to show cause why he should not be required to appear for testimony, day to day, until finished. I do not see a reason to alter that portion of the Order that is already in place. Our estimate that testimony should only take a day is just that; an estimate, and the facts could turn out differently depending on the substance of Mr. Carter's testimony or how he conducts himself as a witness. We will not put ourselves in the position of having to go back to the Court on a serial basis and ask for more time -- which will involve again dealing with Mr. Carter's schedule and with your schedule. Under the circumstances, we are not going to agree to the prospect of further delay in completing the testimony, if the staff's best efforts don't result in completed testimony on Day One. We do not agree to your proposal below, and if we can't move forward as I already proposed today, we will see you and Mr. Carter in Judge Gardephe's courtroom on Tuesday and the judge can resolve this. Or we can ask the Court to enter the Order I sent you and adjourn the hearing. Best, Tom

Thomas A. Bednar
Assistant Chief Litigation Counsel
Securities and Exchange Commission
100 F Street, N.E., Mail Stop #5985
Washington, DC 20549
Direct: (202) 551-6218
bednart@sec.gov

From: Alex Spiro [<mailto:alexspiro@quinnemanuel.com>]
Sent: Saturday, May 05, 2018 7:52 PM
To: Bednar, Thomas
Cc: Kayla Feld; Lombardi, Kevin; Michael Liftik
Subject: Re: SEC v. Carter, 18:mc:182 (PGG)

Tom - I understand your position. Again, let's take a step back and remember that what the commission and you have stated time and time again is that you want the testimony. Nothing more.

We are agreeing to a full day on the date you wanted. You lose nothing here.

What I propose and I think that you all should think about - is the following:

1) a so-ordered subpoena issued by the judge for his testimony on the 15th

2) a postponement of the hearing until the 16th

If as you have indicated time and time again the matter will be resolved on the 15th, we will inform the court on the 16th. If at that time you seek additional remedies or recourse he could be held in contempt if he ignored the judge's subpoena which he will not do, and if you need additional time you will simply ask on the 16th.

Alex

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From: bednart@SEC.GOV
Sent: May 5, 2018 6:56 PM
To: alexspiro@quinnemanuel.com
Cc: kaylafeld@quinnemanuel.com; lombardik@SEC.GOV; michaelliftik@quinnemanuel.com
Subject: Re: SEC v. Carter, 18:mc:182 (PGG)

If he was tolling it might be different. But we have seen what happens when we subpoena him.

Sent from my iPhone

On May 5, 2018, at 6:49 PM, Alex Spiro <alexspiro@quinnemanuel.com> wrote:

Then we would propose the stipulation be one day and you can subpoena him for a second day (as you always can) in the event you need to - which you have consistently stated will not be necessary.

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From: bednart@SEC.GOV
Sent: May 5, 2018 6:46 PM
To: alexspiro@quinnemanuel.com
Cc: kaylafeld@quinnemanuel.com; lombardik@SEC.GOV; michaelliftik@quinnemanuel.com
Subject: Re: SEC v. Carter, 18:mc:182 (PGG)

Alex, we don't agree to a time limit. Testimony almost certainly will finish in one day, but we don't let people unilaterally impose time limits in circumstances like this. That's a dealbreaker. That part of the order stays or we have a hearing. Best, Tom

Sent from my iPhone

On May 5, 2018, at 5:59 PM, Alex Spiro <alexspiro@quinnemanuel.com> wrote:

Tom - thanks for the email. Couple things.

First, a preamble such as the following is more accurate;

The Securities and Exchange Commission ("Commission") has applied for an order directing Respondent Shawn Carter to show cause why he should not be ordered to appear for testimony as called for by the Commission's investigative subpoena issued to him on February 23, 2018 (the "Carter Subpoena") within the next 10 days.

During the pendency of the Commission's application, the parties have agreed to the date of May 15, 2018 for Respondent to appear for testimony as called for by the Commission's investigative subpoena.

Second, it should read date certain may 15. We are not stipulating to the disposition continuing on the 16th - nor is there any chance (even by the Commission's own representations) that this is necessary.

If we have an understanding we can finalize this and move forward to his testimony which as you have repeatedly stated is your sole objective here.

Alex

Alex Spiro
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From: bednart@SEC.GOV
Sent: May 5, 2018 3:51 PM
To: alexspiro@quinnemanuel.com
Cc: kaylafeld@quinnemanuel.com; lombardik@SEC.GOV; michaelliftik@quinnemanuel.com
Subject: RE: SEC v. Carter, 18:mc:182 (PGG)

Alex, Michael, and Kayla:

Based on your representation that holding the Court-ordered testimony on May 15 in New York rather than Washington would permit you more time to prepare with your client, and that you do not intend to contest the Court's order, we can agree to hold the testimony on May 15 in New York [REDACTED]

[REDACTED] We should fix the location ASAP so we can have a court reporter lined up. The Court will need to issue a new order that informs the public what has happened, but we don't think it needs to publicly state the time and place of testimony. The best way to work this may just be an order like the attached. Let me know what you think. Best, Tom

Thomas A. Bednar
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Washington, DC 20549
Direct: [\(202\) 551-6218](tel:(202)551-6218)

bednart@sec.gov

From: Alex Spiro [<mailto:alexspiro@quinnemanuel.com>]
Sent: Saturday, May 05, 2018 12:15 PM
To: Bednar, Thomas
Cc: Kayla Feld; Lombardi, Kevin; Michael Liftik
Subject: Re: SEC v. Carter, 18:mc:182 (PGG)

K

Alex Spiro
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dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

From: bednart@SEC.GOV

Sent: May 5, 2018 12:13 PM

To: alexspiro@quinnemanuel.com

Cc: kaylafeld@quinnemanuel.com; lombardik@SEC.GOV; michaelliftik@quinnemanuel.com

Subject: RE: SEC v. Carter, 18:mc:182 (PGG)

Alex, how is 2 or 2:30? Please send a call in. Thanks, Tom

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From: Alex Spiro [<mailto:alexspiro@quinnemanuel.com>]

Sent: Saturday, May 05, 2018 11:19 AM

To: Bednar, Thomas

Cc: Kayla Feld; Lombardi, Kevin; Michael Liftik

Subject: Re: SEC v. Carter, 18:mc:182 (PGG)

Tom - please let us know when you all have a few minutes to discuss today.

Alex Spiro
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From: bednart@SEC.GOV

Sent: May 4, 2018 7:49 PM

To: alexspiro@quinnemanuel.com

Cc: kaylafeld@quinnemanuel.com; lombardik@SEC.GOV

Subject: Re: SEC v. Carter, 18:mc:182 (PGG)

Alex thanks for the heads up. I know the Formal Order was provided to Mr. Sanders, do you not have it? Best, Tom Bednar

Sent from my iPhone

On May 4, 2018, at 7:41 PM, Alex Spiro <alexspiro@quinnemanuel.com> wrote:

Tom - there is one mistake. We write 4 days when really it is 2 business days by the date of filing. So we are making edit and filing

Second, can you send us the formal order of investigation?

Thx

Alex Spiro
Partner
Quinn Emanuel Urquhart & Sullivan, LLP

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From: bednart@SEC.GOV

Sent: May 4, 2018 7:37 PM

To: kaylafeld@quinnemanuel.com

Cc: lombardik@SEC.GOV; alexspiro@quinnemanuel.com

Subject: Re: SEC v. Carter, 18:mc:182 (PGG)

Thanks Kayla.

Sent from my iPhone

On May 4, 2018, at 7:34 PM, Kayla Feld
<kaylafeld@quinnemanuel.com> wrote:

Thank you, Tom.

Please see attached a revised version that we intend to upload to ECF.

Kayla A. Feld | Associate | **Quinn Emanuel Urquhart & Sullivan, LLP** | [202.538.8303](tel:202.538.8303) Direct

From: Bednar, Thomas
[<mailto:bednart@SEC.GOV>]
Sent: Friday, May 04, 2018 5:58 PM
To: Kayla Feld <kaylafeld@quinnemanuel.com>;
Lombardi, Kevin <lombardik@SEC.GOV>
Cc: Alex Spiro <alexspiro@quinnemanuel.com>
Subject: RE: SEC v. Carter, 18:mc:182 (PGG)

Kayla, please insert the following into the end of the letter, as the clerk requested that we file a letter setting forth both party's positions. If you have any questions, please let me know.

SEC's Position

The Securities and Exchange Commission is willing to postpone the date on which Respondent Carter is ordered to appear for testimony from May 11 to May 15 in Washington, D.C., due to the representations made today by Respondent's counsel that counsel represents a different client who is under a pre-existing subpoena to appear in a different jurisdiction in a non-SEC matter on May 11. However, the SEC opposes Respondent's request to postpone the deadline for Respondent's responsive filing with the Court or for the May 8 show cause hearing. As set forth in detail in the SEC's application for the show cause order and its supporting papers, Respondent Carter's refusal to comply with the Commission's lawful subpoena has already resulted in months of delay, and the Commission staff provided counsel with two weeks' advance notice of their intention to file this action.

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Washington, DC 20549
Direct: [\(202\) 551-6218](tel:(202)551-6218)

bednart@sec.gov

From: Kayla Feld
[<mailto:kaylafeld@quinnemanuel.com>]
Sent: Friday, May 04, 2018 5:52 PM
To: Bednar, Thomas; Lombardi, Kevin
Cc: Alex Spiro
Subject: RE: SEC v. Carter, 18:mc:182 (PGG)

Please do let us know if you have any comments on the draft letter. Please note that we may amend slightly before filing to ECF.

Kayla A. Feld | Associate | **Quinn Emanuel Urquhart & Sullivan, LLP** | [202.538.8303](tel:202.538.8303) Direct

From: Kayla Feld
Sent: Friday, May 04, 2018 5:49 PM
To: 'bednart@SEC.GOV' <bednart@SEC.GOV>; 'lombardik@SEC.GOV' <lombardik@SEC.GOV>
Cc: Alex Spiro <alexspiro@quinnemanuel.com>
Subject: RE: SEC v. Carter, 18:mc:182 (PGG)

Dear Kevin and Tom,

Please see the proposed letter attached.

Kind regards,

Kayla

Kayla A. Feld | Associate | **Quinn Emanuel Urquhart & Sullivan, LLP** | [202.538.8303](tel:202.538.8303) Direct

From: Alex Spiro
Sent: Friday, May 04, 2018 4:30 PM
To: Bednar, Thomas <bednart@SEC.GOV>; Kayla Feld <kaylafeld@quinnemanuel.com>
Cc: Lombardi, Kevin <lombardik@SEC.GOV>
Subject: Re: SEC v. Carter, 18:mc:182 (PGG)

Thx Tom. We will send you a draft letter shortly.
Thx

Alex Spiro
Partner
Quinn Emanuel Urquhart & Sullivan, LLP

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From: bednart@SEC.GOV

Sent: May 4, 2018 4:29 PM

To: alexspiro@quinnemanuel.com; kaylafeld@quinnemanuel.com

Cc: lombardik@SEC.GOV

Subject: RE: SEC v. Carter, 18:mc:182 (PGG)

Alex, we're in my office if we should talk about anything. [202.551.6218](tel:202.551.6218). Best, Tom

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Direct: [\(202\) 551-6218](tel:202.551.6218)

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From: Alex Spiro
[<mailto:alexspiro@quinnemanuel.com>]
Sent: Friday, May 04, 2018 3:54 PM
To: Bednar, Thomas; Kayla Feld
Cc: Lombardi, Kevin
Subject: Re: SEC v. Carter, 18:mc:182 (PGG)

Tom - please call us so we can call chambers.
Thank you

Alex Spiro
Partner
Quinn Emanuel Urquhart & Sullivan, LLP

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Sent: May 4, 2018 3:19 PM

To: alexspiro@quinnemanuel.com; kaylafeld@quinnemanuel.com

Cc: lombardik@SEC.GOV

Subject: SEC v. Carter, 18:mc:182 (PGG)

Alex, We are considering your request to move the hearing to May 15 and the testimony to May 18, but I am hearing concerns about the fact that we have been making accommodations for your professional commitments for several weeks now (and have been delayed in getting Mr. Carter's testimony for several months now). If there were tolling we could move the dates as you requested. In the absence of that, we are not inclined to do more than move the

testimony to May 15 in DC, not further, and have the hearing proceed as scheduled on May 8. That gives you the weekend plus Monday May 14 to prep with your client after your other matter on May 10 and 11. Best, Tom

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bednart@sec.gov

<10109204_[1.pdf](#)>

Exhibit 2

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----x	
SECURITIES AND EXCHANGE COMMISSION,	:
	:
Applicant,	:
	:
– against –	:
	:
SHAWN CARTER,	:
	:
Respondent.	:
-----x	

[PROPOSED] ORDER

The Securities and Exchange Commission (“Commission”) has applied for an order directing Respondent Shawn Carter to show cause why he should not be ordered to appear for testimony as called for by the Commission’s investigative subpoena issued to him on February 23, 2018 (the “Carter Subpoena”) within the next 10 days.

The Court has considered the application filed by the Commission and supporting papers and finds that the Commission has made a sufficient and proper showing in support of the relief sought in its application. Furthermore, the parties have consented to this Order.

Accordingly,

I.

IT IS HEREBY ORDERED that Respondent shall appear for testimony before the Commission on May 15, 2018 at a location agreed upon by Respondent and the Commission. The testimony of Respondent shall continue day-to-day until completed. The Commission staff may consent in writing to another location, date, or time.

If Respondent refuses to appear on the appointed date and time, the Commission will have established a *prima facie* case of civil contempt against him, and he may be held in civil contempt for failure to comply with the Order without further notice or hearing.

II.

IT IS FURTHER ORDERED that a copy of this Order and the papers supporting the Commission's application be served upon Respondent by transmitting the papers on or before May 7, 2018 by personal service, or by email or overnight delivery service to his counsel.

IV.

IT IS FURTHER ORDERED that the Show Cause Hearing scheduled for May 8, 2018, is adjourned, as are the related filing deadlines.

SO ORDERED.

Dated: _____, 2018
New York, New York

HON. PAUL G. GARDEPHE
UNITED STATES DISTRICT JUDGE